

IBERIA PARISH CLERK OF COURT

Financial Report

June 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Michael Thibodeaux  
Iberia Parish Clerk of Court  
New Iberia, Louisiana

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court (hereinafter "Court"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Iberia Parish Clerk of Court's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Court's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As described in Note 13 to the financial statements, the Iberia Parish Clerk of Court adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in 2015. My opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during I audit of the basic financial statements. I do not express an opinion or provide any assurance on the budgetary comparison information on pages 30 through 33 because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Iberia Parish Clerk of Court has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iberia Parish Clerk of Court's basic financial statements. The other supplementary information on pages 45 and 46 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion or provide any assurance on it.

**Other Reporting Requirements Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have issued my report dated December 22, 2015, on my consideration of the Iberia Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance

New Iberia, Louisiana  
December 22, 2015

A handwritten signature in cursive script, reading "R. Perry Templeton". The signature is written in dark ink and is positioned to the right of the typed name.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Statement of Net Position  
June 30, 2015

ASSETS

Current Assets:

Cash and Interest-Bearing Deposits	\$ 1,457,787
Investments	98,972
Receivables, Net	53,234
Due from Other Funds	3,161
Accrued Interest	<u>1,773</u>
Total Current Assets	<u>1,614,927</u>

Noncurrent Assets:

Capital Assets, Net	<u>21,631</u>
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Total Assets	<u>1,636,558</u>
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Deferred Outflows of Resources	<u>412,986</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	8,541
Accrued Compensated Absences Payable	<u>38,355</u>
Total Current Liabilities	<u>46,896</u>

Noncurrent Liabilities:

Net OPEB Obligations	1,060,776
Net Pension Liability	<u>1,920,084</u>
Total Noncurrent Liabilities	<u>2,980,860</u>

Total Liabilities	<u>3,027,756</u>
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Deferred Inflows of Resources	<u>501,073</u>
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NET POSITION

Invested in Capital Assets	21,631
Unrestricted (Deficit)	<u>(1,500,916)</u>
Total Net Position	<u>\$ (1,479,285)</u>

The accompanying notes are an integral part of the basic financial Statements.



IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Statement of Activities  
For the Year Ended June 30, 2015

Expenses:

Judiciary:

Personal Services and Related Benefits	\$ 2,373,275
Operating Services	258,805
Material and Supplies	<u>108,623</u>
Total Expenses	<u>2,740,703</u>

Program Revenues:

Licenses and Permits	14,262
Fines, Charges, and Commissions for Services	<u>2,395,435</u>
Total Program Revenues	<u>2,409,697</u>

Net Program (Expense) Revenues (331,006)

General Revenues:

Miscellaneous	<u>15,213</u>
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Change in Net Position (315,793)

Beginning Net Position, As Restated (1,163,492)

Ending Net Position \$ (1,479,285)

The accompanying notes are an integral part of the basic financial Statements.

## **FUND FINANCIAL STATEMENTS (FFS)**

## FUND DESCRIPTION-MAJOR FUND

### General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Balance Sheet-Governmental Fund  
June 30, 2015

ASSETS

Cash	\$ 257,787
Interest-Bearing Deposits	1,200,000
Investments	98,972
Receivables:	
Accounts Receivable	53,234
Due from Other Funds	3,161
Accrued Interest	<u>1,773</u>
Total Assets	<u>\$1,614,927</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	8,541
Accrued Compensated Absences Payable	<u>38,355</u>
Total Liabilities	46,896
Fund Balance:	
Unassigned	<u>1,568,031</u>
Total Liabilities and Fund Balance	<u>\$1,614,927</u>

The accompanying notes are an integral part of the basic financial Statements.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2015

Total Fund Balance for the Governmental Fund at June 30, 2015		\$ 1,568,031
Cost of Capital Assets at June 30, 2015	\$ 1,294,090	
Less: Accumulated Depreciation	<u>1,272,459</u>	
		21,631
Net OPEB Obligation at June 30, 2015		(1,060,776)
Net Pension Obligation at June 30, 2015		(1,920,084)
Deferred Outflows of Resources		412,986
Deferred Inflows of Resources		<u>(501,073)</u>
Total Net Position of Governmental Activities at June 30, 2015		<u>\$ (1,479,285)</u>

The accompanying notes are an integral part of the basic financial Statements.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balance-  
Governmental Fund  
For the Year Ended June 30, 2015

Revenues:	
Licenses and Permits	\$ 14,262
Fees, Charges and Commissions –	
Court Costs, Fees and Charges	303,799
Fees for Recording Legal Documents	1,981,010
Fees for Certified Copies	110,626
Miscellaneous	<u>15,213</u>
Total Revenues	<u>2,424,910</u>
Expenditures:	
Current –	
General Government:	
Personnel Services and Related Benefits	2,259,758
Operating Services	258,805
Material and Supplies	108,623
Capital Outlay –	<u>-</u>
Total Expenditures	<u>2,627,186</u>
Excess of Revenues over Expenditures	(202,276)
Fund Balance, Beginning of Year	<u>1,770,307</u>
Fund Balance, End of Year	<u>\$ 1,568,031</u>

The accompanying notes are an integral part of the basic financial Statements.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2015

Total Net Change in Fund Balance for the Year ended June 30, 2015 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (202,776)
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The change in net position reported for governmental activities  
in the statement of activities is different because:

Governmental funds report capital outlays as expenditures.  
However, in the statements of activities, the cost of those  
assets is allocated over their estimated useful lives and  
reported as depreciation expense.

Depreciation Expense	(8,671)
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Capital Outlay Costs Considered Expenditures	-
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Net OPEB Obligation	(226,556)
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Implementation of GASB 68 (Revenues less Expenses)	<u>122,210</u>
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Total Changes in Net Position for the Year Ended June 30, 2015 per Statement of Activities	<u>\$ (315,793)</u>
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The accompanying notes are an integral part of the basic financial Statements.

## FUND DESCRIPTION – FIDUCIARY FUNDS

### AGENCY FUNDS

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary assets and liabilities.

#### Advance Deposit Fund –

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed by litigants which are accounted for on the computer system. The advances are refundable to the litigants after all costs have been paid.

#### Registry of Court Fund –

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.



IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Statement of Fiduciary Net Position  
June 30, 2015

ASSETS

Cash	\$ 166,475
Interest-Bearing Deposits	1,343,119
Investments	100,028
Accrued Interest Receivable	1,059
Other Receivables	<u>13,757</u>
 Total Assets	 <u>\$1,624,438</u>

LIABILITIES

Due to General Fund	\$ 3,161
Due to Litigants and Others	1,078,158
Unsettled Deposits	<u>543,119</u>
 Total Liabilities	 <u>\$1,624,438</u>

NET POSITION

Net Position	<u>\$ -</u>
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The accompanying notes are an integral part of the basic financial Statements.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Iberia Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. A Clerk of Court is elected for a term of four years.

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is responsible for the operations of his office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Clerk's office that are paid or provided by the Parish Government as required by Louisiana law, the Clerk of Court is financially independent. In addition, at the expiration of the Clerk of Court's term of office, the Clerk is required to remit to the Parish Government any balance in the Clerk's General (Salary) Fund that exceeds one-half of the revenues of the last year of the term in office.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Net Fiduciary Position and at the fund financial statement level.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues included (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### Fund Financial Statements (FFS)

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Clerk of Court is described below:

#### Governmental Fund –

##### General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and is used to account for the operation of the Clerk of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

Additionally, the Clerk of Court reports the following fund type:

Fiduciary Funds –

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund – accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported.

In the fund financial statement, the governmental fund utilizes the current financial resources measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gain, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity**

**Cash and interest-bearing deposits**

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures, and equipment	5-10 years
Software	5 years

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### Long-term debt

All long-term debts to be repaid from governmental funds are reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences payable, other post employment benefits payable, and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest is reported as expenditures.

#### Compensated Absences

Employees earn up to four weeks of vacation leave depending on length of service. Employees also receive five days of sick leave and two days of personal leave. Vacation, sick and personal leave must be used in the year earned. Any accrued leave not taken as of the end of December is paid for up to a maximum of 70 hours.

The cost of leave privileges is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees are paid for accrued leave. The cost of leave privileges will be paid using current resources and is therefore a liability of the governmental funds. In accordance with the provisions of Statements of Financial Accounting Standards No. 43, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

#### Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

- b. Restricted net position – Consists of net assets with constraints placed on the use, whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Clerk had no equity in this classification at June 30, 2015.
- c. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. The Iberia Parish Clerk of Court adopted GASB Statement 54 for the year ended June 30, 2011. As such, fund balances of the government funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Clerk of Court, which is the highest level of decision-making authority for the Iberia Parish Clerk of Court.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Iberia Parish Clerk of Court considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Iberia Parish Clerk of Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Iberia Parish Clerk of Court has provided otherwise in its commitment or assignment actions.

**E. Budgetary and Budgetary Accounting**

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements.

- 1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

F. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market value.

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2015.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws, of the United State. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2015, the Clerk of Court has cash and cash equivalents (book balances) totaling \$2,967,381 of which \$1,509,594 is attributable to fiduciary funds, which is not presented in the statement of net position.

Demand Deposits	\$ 967,381
Time Deposits	<u>2,000,000</u>
Total	<u>\$ 2,967,381</u>



IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2015, and the related federal insurance and pledged securities:

Bank Balances	<u>\$ 3,210,462</u>
Federal Insurance	1,000,000
Pledged Securities (Category 3)	<u>2,210,462</u>
Total Federal Insurance and Pledged Securities	<u>\$ 3,210,462</u>

Custodial Credit Risk-Custodial credit risk is the risk that in the event of a bank failure, the Clerk of Court's deposits may not be returned to it. The Clerk of Court does not have a deposit policy for custodial risk. As of June 30, 2015, \$2,210,462 of the government's cash balance and interest-bearing deposits were exposed to custodial credit risk as follows:

Collateral held by pledging bank's trust department not in the Clerk of Court's name	<u>\$ 2,210,462</u>
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Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3), under the provision of GASB Statement 40. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

Interest Rate Risk-The Clerk of Court's office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(3) Investments

Investments held at June 30, 2015 consists of \$198,999, in the Louisiana Asset Management Pool (LAMP), a local government investment pool. Of that amount, \$100,027 is attributable to fiduciary funds, which is not presented in the statement of net position. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2015 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objectives of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participates' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

IBERIA PARISH CLERK OF COURT  
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(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2015 is as follows:

	Balance <u>07/01/14</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/2015</u>
Furniture, Fixtures Equipment and Software	\$1,294,090	\$ -	\$ -	\$1,294,090
Less: Accumulated Depreciation and Amortization	(1,263,788)	(8,671)	-	(1,272,459)
Net Capital Assets	<u>\$ 30,302</u>	<u>\$ (8,671)</u>	<u>\$ -</u>	<u>\$ 21,631</u>

Depreciation expense of \$8,671 for the year ended June 30, 2015 was charged to the general government function.

(5) Pension Plan/GASB 68

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Clerks' of Court Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description - Substantially all employees of the Iberia Parish Clerk of Court, except part-time and temporary employees, are members of the Louisiana Clerks' of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

The fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks' of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks' of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or calling (225) 293-1162.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

Retirement Benefits:

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal  $3 \frac{1}{3}$  percent of the members average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six months, with a limit of increase of 10% increase in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a members' retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

A member leaving covered employment before attaining early retirement age but after completing twelve years credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

Disability Benefits:

Effective through June 30, 2008, a member who has been officially certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

- a. A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
- b. A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

- a. The members disability was caused solely as a result of injuries sustained in the performance of their official duties.
- b. The member has at least ten years of service credit.

A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:

- a. Forty percent of their monthly average final compensation.
- b. Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).

A member leaving covered employment before attaining early retirement age but after completing twelve years credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

**Survivor Benefits:**

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the members' date of death with option factors used as if the member has continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced  $\frac{1}{4}$  of 1% for each month by which payments commence in advance of members earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid  $\frac{1}{2}$  of the members accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the members retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the members' accumulated contributions.

**Deferred Retirement Option Plan:**

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

During the year ended June 30, 2007 participants has to have been an active contributing member for one full year before becoming eligible for DROP. Upon commencement of participation in the plan, active membership in the Fund terminates and the participants' contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan.

The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account.

Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Adjustments:

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retirees benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the members' retirement date if later.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the Board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2014, the actual employer contribution rate was 18.50%. For the year ending June 30, 2014, the actuarially determined employer contribution rate was 18.43%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Schedule of Employer Allocations:

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required employer contributions are used to determine the proportionate relationship of each employer to all employers of Louisiana Clerks' of Court Retirement and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employers projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year. The employers' projected contribution effort was actuarially determined by the Fund's actuary, G.S. Curran & Company.

The employers' projected contribution effort was calculated by multiplying the projected future compensation of active members in the Fund on June 30, 2014 by the next fiscal year's employers' actuarially required contribution rate. Projected future compensation was calculated by multiplying compensation by a payroll factor of 1.024. Compensation was determined as follows:

- a. Actual earned compensation for active members enrolled in the Fund the entire fiscal year, plus;
- b. Annualized compensation for active members June 30, 2014 enrolled in the Fund for a portion of the fiscal year. Annualized compensation was calculated using actual compensation and the employees date of hire.

The payroll factor was actuarially determined using salary assumptions for expected net changes in active members plus expected new hires and their payroll over the next fiscal year.

The next fiscal year's employers' actuarially required contribution rate is 17.30%.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2015, the Clerk reported a liability of \$1,920,084 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Clerk's proportion was 1.423485%, which was a decrease of .01142% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Clerk recognized pension expense of \$240,237 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$6,542. At June 30, 2015, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 38,931
Change of assumptions	170,358	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	15,090
Net differences between projected and actual earnings on plan investments	-	447,052
Contributions subsequent to the measurement date	242,628	-
Total	<u>\$ 412,986</u>	<u>\$ 501,073</u>

Deferred outflows of resources of \$242,628 related to pensions resulting from the Clerk's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended

June 30

2016	\$ 82,679
2017	82,679
2018	82,679
2019	82,678
	<u>\$ 330,715</u>



IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

Schedule of Pension Amounts by Employer:

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

Actuarial Methods and Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

Inflation	2.75%
Salary Increases (merit only)	3.00%
Investment rate of return	7.25%
Mortality rates	RP-2000 Combined Healthy Mortality Table (set back 3 years for males and 1 year for females) RP-2000 Disabled Lives Mortality Table
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and included previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantially automatic.

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2004 through June 30, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.25%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 2,942,636	\$1,920,084	\$1,050,510

Change in Net Pension Liability:

The changes in net pension liability for the year ended June 30, 2014 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience – Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$38,931 for the year ended June 30, 2014.

Differences between Projected and Actual Investment Earning – Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources in the amount of \$447,052 for the year ended June 30, 2014.

Changes of Assumptions or Other Inputs – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$170,358 for the year ended June 30, 2014.

IBERIA PARISH CLERK OF COURT  
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Notes to the Basic Financial Statements (continued)

Change in Proportion – Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided through the pension plan.

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Funding Policy:

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Iberia Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 18.50 percent of annual covered payroll. Effective July 1, 2013, the Clerk of Court has elected to pay the member's share of the required contribution equal to 8.25% of their annual covered salary. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Iberia Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Iberia Parish Clerk of Court's contributions to the System for the years ending June 30, 2015, 2014, and 2013, were \$325,289, \$323,457, and \$318,070, respectively, equal to the required contributions for each year.

(6) Changes in Agency Fund Balances

A summary of changes in agency fund due to litigants and unsettled deposits for the year ended June 30, 2015 follows:

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balance, June 30, 2014	\$1,091,931	\$ 738,584	\$1,830,515
Additions	1,925,567	83,567	2,009,134
Reductions	<u>(1,936,179)</u>	<u>(279,032)</u>	<u>(2,215,211)</u>
Balance, June 30, 2015	<u>\$ 1,081,319</u>	<u>\$ 543,119</u>	<u>\$1,624,438</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

(7) Operating Leases

The Clerk of Court is contracted under several lease agreements.

The Clerk of Court leases office equipment under operating leases expiring at various dates. The Iberia Parish Government provides for these payments. These expenditures are not reflected in the accompanying financial statements.

(8) Post-Retirement Health Care and Life Insurance Benefits

*Plan Description.* The Clerk's defined benefit postemployment health care plan ("the Retiree Health Plan") provides medical, dental, vision and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust ("LCCIT"), an agent multiple-employer postemployment healthcare plan administered by the Louisiana Clerks of Court Association.

*Funding Policy.* The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk pays for the entire premium charged by the LCCA retirees. Retirees are required to pay 50% of the premium for their dependents. Vision is voluntary and paid 100% by the retiree. For fiscal year 2014, the Clerk contributed \$125,032 to the plan and the retirees contributed \$15,027.

*Annual OPEB Cost and Net OPEB Obligation.* For 2015, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 366,260
Interest on Net OPEB Obligation	29,198
Adjustment to Annual Required Contribution	<u>(43,824)</u>
Annual OPEB Cost (Expense)	351,634
Contributions Made	(125,078)
Increase in Net OPEB Obligation	226,556
Net OPEB Obligation – beginning of year	834,220
Net OPEB Obligation – end of year	<u>\$ 1,060,776</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$230,954	40.6%	\$ 427,162
6/30/2013	\$359,795	34.7%	\$ 603,574
6/30/2014	\$355,678	35.2%	\$ 834,220
6/30/2015	\$351,634	35.6%	\$ 1,060,776

*Funded Status and Funding Progress.* As of June 30, 2013, the actuarial accrued liability for benefits was \$4,295,632, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,402,387, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 345%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

*Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the entry age actuarial cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5.5% after 15 years. The Clerk's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an level dollar over 30 years.

(9) Deferred Compensation Plan

The Clerk of Court has an (IRC) 457 deferred compensation plan. The plan covers all full time employees. The Clerk of Court matches employee contributions up to 6 percent of compensation. The Clerk of Court's contributions for the year ending June 30, 2015, 2014 and 2013 amounted to \$ 83,346, \$ 72,320, and \$ 68,962, respectively.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

(10) Risk Management

The Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court purchased commercial insurance policies to satisfy claims related to general liability, automobile liability, property and casualty, employee health and accident, and errors and omissions.

(11) Expenditures of the Clerk of Court Paid by the Parish Government

The Clerk of Court's office is located in the Iberia Parish Courthouse. The Iberia Parish Government pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements

(12) Litigation

The Iberia Parish Clerk of Court is not involved in any litigation at June 30, 2015, nor is he aware of any unasserted claims.

(13) Restatement of Net Position

During the year ended June 30, 2015, the Clerk implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*. As a result of implementation, net position was restated as follows:

Net position at June 30, 2014	\$ 966,388
Restatement due to implementation GASB 68	<u>(2,129,880)</u>
Net position at June 30, 2014 restated	<u>\$ (1,163,492)</u>

(14) Subsequent Events

Subsequent events have been evaluated through December 22, 2015, the date of the financial statement issuance.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Notes to the Basic Financial Statements (continued)

(15) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity

Under Act 706, Iberia Parish Clerk of Court is required to disclose the compensation, reimbursements, benefits, and other payments made to the clerk, in which the payments are related to the position. The following is a schedule of payments made to the clerk for the year ended June 30, 2015:

Entity Head: Michael Thibodeaux, Clerk of Court

Salary	\$151,013
Benefits-insurance	8,460
Benefits-retirement	29,166
Benefits-deferred compensation	11,500
Car allowance	23,012
Travel and continuing professional education	1,180
Election Expense	<u>2,400</u>
Total	<u>\$226,731</u>

**REQUIRED  
SUPPLEMENTARY INFORMATION**



IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 14,740	\$ 14,740	\$ 14,262	\$ (478)
Fees, Charges, and Commissions				
Court Costs, Fees and Charges	282,215	292,215	303,799	11,584
Fees for Recording Legal Documents	2,340,049	1,908,931	1,981,010	72,079
Fees for Certified Copies	113,996	113,996	110,626	(3,370)
Miscellaneous	18,689	18,689	15,213	(3,476)
Total Revenues	<u>2,769,689</u>	<u>2,348,571</u>	<u>2,424,910</u>	<u>76,339</u>
Expenditures:				
Current –				
General Government:				
Personnel Services and Related Benefits	2,357,956	2,357,956	2,259,758	(98,198)
Operating Services	231,351	231,351	258,805	27,454
Materials and Supplies	<u>96,800</u>	<u>96,800</u>	<u>108,623</u>	<u>11,823</u>
Total Current Expenditures	2,686,107	2,686,107	2,627,186	58,921
Capital Outlay	<u>30,000</u>	<u>30,000</u>	-	<u>30,000</u>
Total Expenditures	<u>2,716,107</u>	<u>2,716,107</u>	<u>2,627,186</u>	<u>88,921</u>
Excess (Deficiency) of Revenues Over Expenditures	53,582	(367,536)	(202,276)	165,260
Fund Balance, Beginning of Year	<u>\$1,770,307</u>	<u>\$1,770,307</u>	<u>\$1,770,307</u>	<u>\$ -</u>
Fund Balance, End of Year	<u>\$1,823,889</u>	<u>\$1,402,771</u>	<u>\$1,568,031</u>	<u>\$ 165,260</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Budgetary Comparison Schedule – Revenues  
General Fund  
Year Ended June 30, 2015

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With (Negative)
Licenses and Permits:				
Marriage Licenses	<u>\$ 14,740</u>	<u>\$ 14,740</u>	<u>\$ 14,262</u>	<u>\$ (478)</u>
Fees, Charges and Commissions:				
Court Costs, Fees and Charges-				
Court Attendance	14,167	14,167	15,904	1,737
Criminal Costs	114,219	114,219	105,903	(8,316)
Other	<u>153,829</u>	<u>163,829</u>	<u>181,992</u>	<u>18,163</u>
Total Court Costs, Fees And Charges	<u>282,215</u>	<u>292,215</u>	<u>303,799</u>	<u>11,584</u>
Fees for Recording Legal Documents:				
Recordings	810,146	638,000	652,786	14,786
Cancellations	92,057	92,057	85,424	(6,633)
Mortgage Certificates	38,874	38,874	36,793	(2,081)
Suits and Successions	<u>1,398,972</u>	<u>1,140,000</u>	<u>1,206,007</u>	<u>66,007</u>
Total Fees for Recording Legal Documents	<u>2,340,049</u>	<u>1,908,931</u>	<u>1,981,010</u>	<u>72,079</u>
Certified Copies	<u>113,996</u>	<u>113,996</u>	<u>110,626</u>	<u>(3,370)</u>
Miscellaneous:				
Interest Earned	12,842	12,842	6,772	(6,070)
Other	<u>5,847</u>	<u>5,847</u>	<u>8,441</u>	<u>2,594</u>
Total Miscellaneous	<u>18,689</u>	<u>18,689</u>	<u>15,213</u>	<u>(3,476)</u>
Total Revenues	<u>\$ 2,769,689</u>	<u>\$ 2,348,571</u>	<u>\$2,424,910</u>	<u>\$ 76,339</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Budgetary Comparison Schedule – Expenditures  
General Fund  
Year Ended June 30, 2015

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current –				
Personnel Services and Related Benefits				
Salaries:				
Clerk	\$ 98,000	\$ 98,000	\$ 115,685	\$ 17,685
Deputy Clerks	1,263,015	1,263,015	1,170,182	(92,833)
Other	103,000	103,000	90,000	(13,000)
Clerk's Supplemental Fund	54,400	54,400	56,774	2,374
Group Insurance	427,885	427,885	404,798	(23,087)
Pension and Payroll Taxes	339,656	339,656	341,394	1,738
Deferred Compensation	<u>72,000</u>	<u>72,000</u>	<u>80,925</u>	<u>8,925</u>
Total Personnel Services and Related Benefits	<u>2,357,956</u>	<u>2,357,956</u>	<u>2,259,758</u>	<u>(98,198)</u>
Operating Services –				
Advertising	1,000	1,000	1,297	297
Professional Fees	45,200	45,200	51,975	6,775
Insurance	26,085	26,085	21,657	(4,428)
Telephone	13,327	13,327	9,204	(4,123)
UCC Fees	44,352	44,352	41,190	(3,162)
Travel	6,400	6,400	4,412	(1,988)
Outside Services	9,000	9,000	20,334	11,334
Other	<u>85,987</u>	<u>85,987</u>	<u>108,736</u>	<u>22,749</u>
Total Operating Services	<u>231,351</u>	<u>231,351</u>	<u>258,805</u>	<u>27,454</u>
Materials and Supplies –				
Office Supplies and Expense	95,000	95,000	104,319	9,319
Dues and Subscriptions	<u>1,800</u>	<u>1,800</u>	<u>4,304</u>	<u>2,504</u>
Total Materials and Supplies	<u>96,800</u>	<u>96,800</u>	<u>108,623</u>	<u>11,823</u>
Total Current Expenditures	<u>\$ 2,686,107</u>	<u>\$ 2,686,107</u>	<u>\$2,627,186</u>	<u>\$ 58,921</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Budgetary Comparison Schedule – Expenditures  
General Fund  
Year Ended June 30, 2015

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital Outlay	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Expenditures	<u>\$2,716,107</u>	<u>\$2,716,107</u>	<u>\$2,627,186</u>	<u>\$ 88,921</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Funding Progress  
Year Ended June 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
6/30/2009	\$ 0	\$3,651,272	\$3,651,272	0.0%	\$1,104,024	330.7%
6/30/2012	\$ 0	\$4,295,632	\$4,295,632	0.0%	\$1,186,020	362.0%

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Employer's Share of Net Pension Liability  
Year Ended June 30, 2015

Schedule of Employer's Share of Net Pension Liability

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll Obligation	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2015	1.423485	\$1,335,086	\$1,264,407	151.86%	79.37%

The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Employer Contributions  
Year Ended June 30, 2015

Schedule of Employer Contributions

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 155,190	\$ 240,237	\$ (3,327)	\$1,264,406	19.00%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

## **OTHER SUPPLEMENTARY INFORMATION**



IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Agency Funds  
Combining Statement of Fiduciary Assets and Liabilities  
June 30, 2015

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 166,475	\$ -	\$ 166,475
Interest-Bearing Deposits	800,000	543,119	1,343,119
Investments	100,028	-	100,028
Accrued Interest Receivable	1,059	-	1,059
Other Receivables	<u>13,757</u>	<u>-</u>	<u>13,757</u>
Total Assets	<u>\$ 1,081,319</u>	<u>\$ 543,119</u>	<u>\$1,624,438</u>
<b>LIABILITIES</b>			
Due to General Fund	\$ 3,161	\$ -	\$ 3,161
Due to Litigants	1,078,158	-	1,078,158
Unsettled Deposits	<u>-</u>	<u>543,119</u>	<u>543,119</u>
Total Liabilities	<u>\$ 1,081,319</u>	<u>\$ 543,119</u>	<u>\$1,624,438</u>

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2015

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balances, Beginning of Year	\$ 1,091,931	\$ 738,584	\$ 1,830,515
Additions:			
Suits and Successions	1,925,567	-	1,925,567
Judgments	-	82,802	82,802
Interest	<u>-</u>	<u>765</u>	<u>765</u>
Total Additions	<u>1,925,567</u>	<u>83,567</u>	<u>2,009,134</u>
Total	<u>3,017,498</u>	<u>822,151</u>	<u>3,839,649</u>
Reductions:			
Clerk's Cost (transferred to General Fund)	1,206,351	1,236	1,207,587
Refunds to Litigants	364,086	277,796	641,882
Other	142,662	-	142,662
Sheriff Fees	<u>223,080</u>	<u>-</u>	<u>223,080</u>
Total Reductions	<u>1,936,179</u>	<u>279,032</u>	<u>2,215,211</u>
Balances, End of Year	<u>\$ 1,081,319</u>	<u>\$ 543,119</u>	<u>\$ 1,624,438</u>

**INTERNAL CONTROL  
AND  
COMPLIANCE**

**R. PERRY TEMPLETON**  
CERTIFIED PUBLIC ACCOUNTANT  
(A PROFESSIONAL ACCOUNTING CORPORATION)

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MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LA CPA'S

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

The Honorable Michael Thibodeaux  
Iberia Parish Clerk of Court  
New Iberia, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Iberia Parish Clerk of Court, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Iberia Parish Clerk of Court's basic financial statements, and have issued my report thereon dated December 22, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Iberia Parish Clerk of Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Iberia Parish Clerk of Court's internal control. Accordingly, I do not express an opinion on the effectiveness of the Iberia Parish Clerk of Court's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during my audit, I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, significant deficiencies and material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the following schedule of audit findings and Management's Corrective Action Plan that I consider to be a material weakness (2015-1).

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iberia Parish Clerk of Court's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

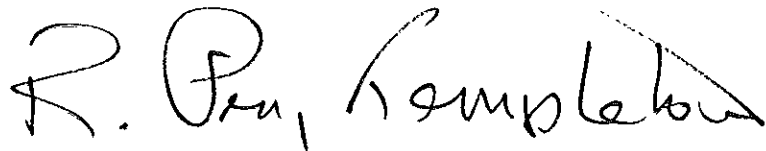
### Iberia Parish Clerk of Court's Response to Finding

Iberia Parish Clerk of Court's response to finding identified in my audit is described in the accompanying schedule of prior and current audit findings and management's corrective action plan. The Iberia Parish Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, I express no opinion of it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Iberia Parish Clerk of Court, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, reading "R. Perry Templeton". The signature is written in a cursive, flowing style. The first letter "R" is large and prominent. The last name "Templeton" is written in a more compact, cursive script.

New Iberia, Louisiana  
December 22, 2015

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Audit Findings, and Management's Corrective Action Plan  
For the Year Ended June 30, 2015

**Current Year Audit Findings & Managements Corrective Action Plan**

2015-1 (IC) Lack of Controls over Financial Reporting in accordance with GAAP

Condition:

The Clerk does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency.

Recommendation:

Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case I do not believe the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management's Corrective Action Plan:

The Clerk has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

IBERIA PARISH CLERK OF COURT  
New Iberia, Louisiana  
Schedule of Audit Findings and Management's Corrective Action Plan  
For the Year Ended June 30, 2015

**Prior Year Findings:**

Internal Control Over Financial Reporting

2014-1 (IC) Lack of Controls over Financial Reporting in accordance with GAAP

Finding:

The Clerk does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.

Status:

Unresolved. See item 2015-1.

Compliance

There are no findings that are required to be reported at June 30, 2015.

Management Letter Items

There are no management letter items at June 30, 2015.